



0000150462

Stanley J. Baran, CPA

— Ste B • Kingman, AZ 86401 • stan@sibcpa.com • Phone 928-718-7826

December 12, 2013

2013 DEC 16 A 10:35

On behalf of my client:

White Hills Water Company, Inc.
PO Box 30626
Mesa, AZ 85275

Docket Control
Arizona Corporation Commission
1200 W Washington St
Phoenix, AZ 85007-2927

DOCKET NUMBER W-01982A-13-0311
Amended Pages

Attached are an Original and 15 Copies of amended pages to our Rate Application for Water Companies with Annual Gross Operating Revenues (Including Requested Rate Relief) of Less than \$250,000 previously submitted for Commission Approval.

Sincerely,

Stanley J. Baran, CPA
Arizona License 14117-R

RECEIVED

W-01982A-13-0311

AZ CORP COMMISSION
DOCKET CONTROL

ORIGINAL

Arizona Corporation Commission
DOCKETED

DEC 16 2013

DOCKETED BY

WHITE HILLS WATER COMPANY, INC.

DOCKET NUMBER W-01982A-13-0311

AMENDED NARRATIVE

Per staff, electrical work done on Well (Code 307) in 2011 was move from plant to Repairs and Maintenance (Code 620) since Unisource Electric, by the contract, retains ownership of the equipment. Appropriate changes were made to financial statements, Pages 13-14-15-19-21-22.

Cost of Rate Increase application is \$4,500.00 to Stanley J. Baran, CPA.

Justification for placing Janice Arthur on payroll – Jan does all the accounting work for the corporation including billing, banking, QuickBooks accounting and is the contact person with customers.

Justification for placing David Arthur on payroll – Dave is the person who keeps the system running. The company has had a turnover of part time personnel every year. David knows the system well enough to give direction by telephone and also drives to White Hills when necessary. He also arranges for subcontractors to bring in equipment and personnel for major repairs.

Page 6 has been amended to reflect recalculation of revenues from projected rate increase.

STATEMENTS IN SUPPORT OF RATE REQUEST

Complete the following statements in support of your rate request.

WHITE HILLS WATER COMPANY, Inc. (the "Company") requests an adjustment in the existing rates charged by the Company. The information contained in this application is based upon a twelve-month Test Year ending 12-31-2012 (mm/dd/yy). The Company had total operating revenues of \$ 41,235, served 89 metered and 1 un-metered customers, and sold 2,817,601 gallons of water during the Test Year.
(from page 19)
(from page 18)

The Company is requesting a(n) increase/decrease in revenues in the amount of \$ 26,892

Total annual operating revenues, if the Company is granted the rate adjustment, will be \$ 69,406.

The Company is current on all property taxes. ☒ YES ☐ NO

The Company is current on all sales taxes. ☒ YES ☐ NO
(Please see checklist item 2 on page 1.)

The Company currently has a Curtailment Plan Tariff on file with the Commission ☐ YES ☒ NO

The Company currently has a Backflow Prevention Tariff on file with the Commission. ☐ YES ☒ NO

The Company notified its customers of its application for a rate adjustment on 09/12/2013 (mm/dd/yy). **A COPY OF THE NOTICE WITH A NOTARIZED COVER LETTER STATING THE METHOD OF CUSTOMER NOTIFICATION, AS WELL AS THE DATE OF THE NOTIFICATION, MUST BE ATTACHED. (See page 32)**

By completing this application in support of the Company's request for a rate adjustment, the Company realizes that Original Cost Less Depreciation ("OCLD") plant information will be used to determine the fair value rate base, i.e., the Company waives the right to Reconstruction Cost New.

Amended

Company Name:

Test Year Ended:

12-31-2012

Plant Additions and Retirements by Year

Acct. No.	Description	Year <u>2011</u>		Year <u>2012</u>	
		Additions	Retirements	Additions	Retirements
301	Organization		↑		↑
302	Franchises				
303	Land & Land Rights				
304	Structures & Improvements	10,755			
307	Wells & Springs	20,053			
311	Pumping Equipment	14,245			
320	Water Treatment Equipment				
320.1	Water Treatment Plants				
320.2	Solution Chemical Feeders				
330	Distribution Reservoirs & Standpipes	11,073			
330.1	Storage Tanks				
330.2	Pressure Tanks			1,286	
331	Transmission & Distrib. Mains	8,550			
333	Services	8,184			
334	Meters & Meter Installations				
335	Hydrants				
336	Backflow Prevention Devices			197	
339	Other Plant & Misc. Equipment				
340	Office Furniture & Equipment				
340.1	Computers & Software				
341	Transportation Equipment				
343	Tools, Shop & Garage Equip.				
344	Laboratory Equipment				
345	Power Operated Equipment				
346	Communication Equipment				
347	Miscellaneous Equipment				
348	Other Tangible Plant	20,009			
	TOTAL WATER PLANT	92,869	↓	1483	↓

Note: Enter all additions and retirements, by year, from the prior test year through the end of the current test year. Enter the totals for the additions and retirements for all intervening years on page 14, Columns B and C, respectively.

Amended

Company Name:

White Hills Water Company, INC

Test Year Ended:

12-31-2012

Plant Summary

Acct. No.	Description	2007 Plant in Service Per Prior Decision Column A	Total Additions Column B	Total Retirements Column C	Test Year End Total Column D*
301	Organization	10,114	0	↑	10,114
302	Franchises	0	0		0
303	Land & Land Rights	969	0		969
304	Structures & Improvements	2,575	10,755		13,330
307	Wells & Springs	42,437	20,053		62,490
311	Pumping Equipment	46,366	22,746		69,112
320	Water Treatment Equipment	0	0		0
320.1	Water Treatment Plants	0	0		0
320.2	Solution Chemical Feeders	0	0		0
330	Distribution Reservoirs & Standpipes	78,758	12,010		90,768
330.1	Storage Tanks	0	0		0
330.2	Pressure Tanks	0	0		0
331	Transmission & Distrib. Mains	275,855	19,616		295,471
333	Services	0	8,184		8,184
334	Meters & Meter Installations	18,217	3,006		21,223
335	Hydrants	185	0		185
336	Backflow Prevention Devices	0	197		197
339	Other Plant & Misc. Equipment	0	0		0
340	Office Furniture & Equipment	2,613	0		2,613
340.1	Computers & Software	0	0		0
341	Transportation Equipment	0	0		0
343	Tools, Shop & Garage Equip.	0	819		819
344	Laboratory Equipment	0	0		0
345	Power Operated Equipment	0	0		0
346	Communication Equipment	0	0		0
347	Miscellaneous Equipment	4,112	500		4,612
348	Other Tangible Plant	0	20,009		20,009
	TOTAL WATER PLANT	482,201	117,895	↓	600,096

Note: Please refer to the checklist on page 1 for the required attachments related to this schedule

* Column D = Column A + Column B - Column C

Amended

Company Name:

Test Year Ended:

12-31-2012

UTILITY PLANT IN SERVICE

Acct No.	Description	Original Cost	Accumulated Depreciation	OCLD
		Column A	Column B	Column C**
301	Organization	10,114	10,114	0
302	Franchises	0	0	0
303	Land & Land Rights	969	NA	969
304	Structures & Improvements	13,330	3375	9955
307	Wells & Springs	62,490	25312	37,178
311	Pumping Equipment	69,112	18307	50,805
320	Water Treatment Equipment	0	0	0
320.1	Water Treatment Plants	0	0	0
320.2	Solution Chemical Feeders	0	0	0
330	Distribution Reservoirs & Standpipes	90,768	18,903	71,865
330.1	Storage Tanks	0	0	0
330.2	Pressure Tanks	0	0	0
331	Transmission & Distrib. Mains	295,471	39,965	255,506
333	Services	8,184	518	7666
334	Meters & Meter Installations	21,223	4679	16,544
335	Hydrants	185	73	112
336	Backflow Prevention Devices	197	13	184
339	Other Plant & Misc. Equipment	0	0	0
340	Office Furniture & Equipment	2613	2613	0
340.1	Computers & Software	0	0	0
341	Transportation Equipment	0	0	0
343	Tools, Shop & Garage Equip.	819	592	227
344	Laboratory Equipment	0	0	0
345	Power Operated Equipment	0	0	0
346	Communication Equipment	0	0	0
347	Miscellaneous Equipment	4612	4612	-
348	Other Tangible Plant	20009	8004	12005
	TOTAL WATER PLANT	* 600,096	137,080	463,016

* Must be the same as the amount reported on page 20

**Column C = Column A - Column B

Amended

Acct. No.	OPERATING REVENUES	PRIOR YEAR 2011	TEST YEAR 2012
461	Metered Water Revenue	\$ 39,358	\$ 35,840
460	Unmetered Water Revenue	2,434	4,292
474	Other Water Revenues	0	1,103
	TOTAL OPERATING REVENUES	\$ 41,792	\$ 41,235
	OPERATING EXPENSES		
601	Salaries and Wages (See page 1, item 4)	\$ 0	\$ 0
610	Purchased Water (See page 1, item 5)	0	0
615	Purchased Power (See page 1, item 6)	5158	5786
618	Chemicals	0	0
620	Repairs and Maintenance (See page 1, item 7)	14,676	8703
621	Office Supplies and Expense	1718	1490
630	Outside Services (See page 1, item 8)	16,108	9,899
635	Water Testing (See page 1, item 9)	2,205	2,522
641	Rents	300	0
650	Transportation Expenses	1739	754
657	Insurance - General Liability	0	0
659	Insurance - Health and Life	0	0
666	Regulatory Commission Expense - Rate Case	0	0
675	Miscellaneous Expense	2694	4835
403	Depreciation Expense (From page 20)	13030	13211
408	Taxes Other Than Income	0	0
408.11	Property Taxes (See page 1, item 10)	0	1542
409	Income Tax	45	0
	TOTAL OPERATING EXPENSES	\$ 57,673	\$ 48,792
	OPERATING INCOME/(LOSS)	\$ <15,881>	\$ <7,507>
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$ 1	\$ 1
421	Non-Utility Income	0	0
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	0	<210>
	TOTAL OTHER INCOME/(EXPENSE)	\$ 1	\$ <209>
	NET INCOME/(LOSS)	\$ <15,880>	\$ <7,716>

Note: Do not include sales tax in revenue or expense. Please refer to the checklist on page 1 for the required attachments related to this schedule.

* This number must be identical to the number entered on page 6 "total operating revenues."

Amended

Company Name: WHITE HILLS WATCH COMPANY, INC	Test Year Ended: 12-31-2012
--	---------------------------------------

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF TEST YEAR 2012
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 96	\$ 123
134	Working Funds	0	0
135	Temporary Cash Investments	0	0
141	Customer Accounts Receivable	0	0
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	0	0
162	Prepayments	0	0
174	Miscellaneous Current and Accrued Assets	0	0
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 96	\$ 123
	FIXED ASSETS		
101	Utility Plant in Service	\$ 598,613	\$ 600,096*
103	Property Held for Future Use	0	0
105	Construction Work in Progress	0	0
108	Accumulated Depreciation - Utility Plant ("AD-UP")	123,869	(\$ 137,080)**
121	Non-Utility Property	0	0
122	Accumulated Depreciation - Non Utility ("AD-NU")	0	(\$ 0)
	TOTAL FIXED ASSETS	\$ 474,744	\$ 463,016
	TOTAL ASSETS	\$ 474,840	\$ 463,139

Note: Total Assets on this page should equal the sum of Total Liabilities and Total Capital on page 22. Also, numbers in parentheses should be subtracted. For example, Accounts 108 and 122 should be subtracted from Total Fixed Assets.

*** Must equal page 15, original cost**

**** Must equal page 15, accumulated depreciation**

BALANCE SHEET (CONTINUED)

		BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF TEST YEAR
LIABILITIES			
CURRENT LIABILITIES			
231	Accounts Payable	\$ 6193	\$ 1,107
232	Notes Payable (Current Portion)	0	0
234	Notes/Accounts Payable to Associated Companies	100,628	100,628
235	Customer Deposits	2,786	2,890
236	Accrued Taxes	0	1,279
237	Accrued Interest	0	0
241	Miscellaneous Current and Accrued Liabilities	0	0
	TOTAL CURRENT LIABILITIES	\$ 109,607	\$ 105,904
LONG-TERM DEBT (Over 12 Months)			
224	Long-Term Notes and Bonds	\$ 0	\$ 0
DEFERRED CREDITS			
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	412,227	\$ 411,945 *
255	Accumulated Deferred Investment Tax Credits	0	0
271	Gross Contributions in Aid of Construction	0	\$ 0 **
272	Less: Amortization of Contributions	0	(\$ 0)
281	Accumulated Deferred Income Tax	0	0
	TOTAL DEFERRED CREDITS	\$ 412,227	\$ 411,945
	TOTAL LIABILITIES	\$ 521,834	\$ 517,849
CAPITAL ACCOUNTS			
201	Common Stock Issued	\$ 0	\$ 0
211	Paid in Capital in Excess of Par Value	30,026	30,026
215	Retained Earnings	(77,020)	(84,736)
218	Proprietary Capital (Sole Props and Partnerships)	0	0
	TOTAL CAPITAL	\$ (46,994)	\$ (54,710)
	TOTAL LIABILITIES AND CAPITAL	\$ 474,840	\$ 463,139

Note: Account 272 should be subtracted from Total Deferred Credits.

* Must equal page 24, Total Advances in Aid of Constructions

** Must equal page 25, Total Advances

Amended

THIS AGREEMENT is made and entered into this 1st day of December, 2013,
between WHITE HILLS WATER COMPANY, INC. (Hereinafter referred to as 'LESSEE'), and V.
DAVID ARTHUR – JANICE E. ARTHUR his wife dealing with their sole and separate property,
(hereinafter referred to as the LESSOR)".

This agreement covers the lease of real property as more particularly described AS LOT 537
LOCATED IN UNIT 4 OF MOHAVE RANCHOS..

1. Lease Term. The term of this lease shall be for a period of Ninety-nine (99) years
beginning on the first day of the month first written above.
2. Consideration and Rental Payments. LESSEE shall pay to LESSOR as rental for the
aforesaid property for the term of this lease **the monthly sum of \$100.00** Five Hundred and 00/100
(\$100.00) Dollars and other good and valuable consideration, receipt of which is hereby
acknowledged by LESSOR. LESSEE shall pay as due **all real estate taxes** as may be assessed against
the property leased hereunder and hold harmless LESSEE there from.
3. Use, Maintenance and Repairs. LESSEE shall use the property leased hereunder for
WATER TANKS, 30K X 2, PRESSURE SYSTEM BUILDING, PIPE STAND EQUIPMENT, and
WELL ELECTRICAL BUILDING WHICH HOLDS AN S DRIVE TO RUN THE PUMP IN THE
WELL AND STORAGE and shall comply with all laws relating thereto. **LESSEE is responsible for
property taxes on its property as stated above or added later.**
4. Loss, Theft, Damage and Destruction. LESSEE agrees to bear the entire risk of loss,
theft, damage or destruction to the leased property and any improvements thereon located and shall
insure same as may be necessary to protect LESSEE from such loss, theft, damage or destruction.
5. Indemnity. LESSEE shall forever indemnify, defend and save and hold LESSOR
harmless from any and all claims, actions, proceedings, expenses, damages, loss, injuries, death and
liabilities resulting from any acts of negligence of LESSEE in the use or occupation of the aforesaid
property.

AMEND

6 Ownership. The property is and shall remain the property of LESSOR, and nothing herein shall be construed as creating a partnership or other legal relationship between LESSOR and LESSEE other than that of Landlord and Tenant.

7 Cancellation and Default. Upon any default of LESSEE of the terms and conditions of this agreement, LESSOR shall, after giving LESSEE ninety (90) days written notice of such default, have the right to enter upon the premises and take possession of the property and remove all of LESSEE's personal property and improvements thereto including but not limited to LESSEE's water tank if LESSEE shall have failed to cure said default **within** said ninety (90) days.

8 Sublease. LESSEE shall not have the right to sublease the property leased hereunder.

IN WITNESS WHEREOF the parties hereto have executed this lease as of the date and year first above written.

LESSOR -----

V. David Arthur

DATE. -----

LESSEE: _____

Janice E. Arthur

DATE. -----

White Hills Water Company, Inc.

AMENDED